

VIOLATIONS OF INTERNAL-REVENUE LAWS.

APRIL 11, 1884.—Referred to the House Calendar and ordered to be printed.

Mr. McMILLAN, from the Committee on Revision of the Laws, submitted the following

REPORT:

[To accompany bill H. R. 6370.]

The Committee on Revision of the Laws, to whom was referred the bill (H. R. 6370) to limit the time within which prosecutions may be instituted against persons charged with violating internal-revenue laws, having considered the same, give the following reasons for its passage, as recommended by the committee:

The limitation now fixed by law for prosecutions for a large number of offenses against the internal-revenue laws is five years. This, your committee thinks, is too long a period, as it results in stale and vexatious prosecutions which end, and could end, in nothing but the harassing of the citizen and the accumulation of large cost-bills, which the Government in most cases has to pay. But your committee thought it prudent to submit the bill to the Secretary of the Treasury for his opinion. He, in turn, called on the Commissioner of Internal Revenue, and the following are the letters of both approving the bill, with some slight modifications, which your committee have adopted:

TREASURY DEPARTMENT,
 April 7, 1884.

SIR: Your letter of the 4th instant is received, in which you submit for my opinion thereon bill H. R. 6370, being "A bill to limit the time within which prosecutions may be instituted against persons charged with violating internal-revenue laws."

I have the honor to inclose herewith a report on the bill of the views of the Commissioner of Internal Revenue, in which I concur. A limitation of two years after these offenses are committed was suggested to Congress in my annual report of the finances for 1883, on page 44 thereof.

A proviso excepting cases in which the accused party places himself beyond the jurisdiction of the proper court should be inserted in the bill, so that nothing be left to construction that may be so easily provided for.

Very respectfully,

CHAS. J. FOLGER,
 Secretary.

Hon. WILLIAM C. OATES,
 Chairman Committee on Revision of the Laws, House of Representatives.

TREASURY DEPARTMENT,
 OFFICE OF INTERNAL REVENUE.
 Washington, April 5, 1884.

SIR: I have the honor to acknowledge the reference to me, for report of my views thereon, of bill H. R. No. 6370, "to limit the time within which prosecutions may be instituted against persons charged with violating internal-revenue laws," and to reply

that my views remain asset forth in my annual report to you for the year ended June 30, 1883. They are as follows:

"I respectfully suggest that Congress be requested to enact a statute, fixing the limitation for the prosecution of offenses against the revenue laws at a much less period than five years, as now provided by law, except in cases where the accused places himself beyond the jurisdiction of the court of the district where the offense was committed. I am informed by judges of the United States district courts that in nearly every instance where a conviction has been secured the offense was committed within two years before the indictment was found. Cases older than two years are almost invariably lost by the Government. It is also very difficult in such cases to prevent abuses whereby the costs of prosecution are increased, and, ultimately, the ends of justice defeated. I am of the opinion that a shorter period of limitation would be much better in many ways, and greatly lessen the expense of such prosecutions to the Government."

As to the exact period of limitation—whether as contemplated in this bill, one year in most internal-revenue cases, or a somewhat longer period—that may well be left to the wisdom of Congress; but I am firmly convinced that a modification of the laws on that subject as they now exist would be beneficial to the interests of the revenue.

The papers referred to me are herewith returned.

I have the honor to be, very respectfully,

WALTER EVANS,
Commissioner.

HON. CHARLES J. FOLGER,
Secretary of the Treasury.

It will thus be seen that, according to the testimony of these high officials who are at the head of this system of internal revenue, almost every prosecution begun after a lapse of more than two years ends in vexatious failure. All the information your committee have been able to get on the subject corroborates this. They therefore recommend the amendment of the bill by striking out the words "one year," in line 6, and inserting in lieu thereof the words "two years"; and by striking out lines 7, 8, 9, and 10, and inserting in lieu the following words: "*Provided*, The time during which the person committing the offense is beyond the reach of legal process shall not be taken as any part of the time limited by law for the commencement of such action."

And when so amended they recommend the passage of the bill.